



# STATE OF IOWA

CHESTER J. CULVER, GOVERNOR  
PATTY JUDGE, LT. GOVERNOR

DEPARTMENT OF HUMAN SERVICES  
EUGENE I. GESSOW, DIRECTOR

February 6, 2009

## GENERAL LETTER NO. 8-F-65

ISSUED BY: Bureau of Medical Supports,  
Division of Financial, Health and Work Supports

SUBJECT: Employees' Manual, Title 8, Chapter F, **COVERAGE GROUPS**, pages 97, 101, 106, and 109, revised.

### Summary

This chapter is revised to update the poverty levels for 2009. The new amounts affect the following groups:

- ◆ Qualified Medicare beneficiaries (QMB)
- ◆ Specified low-income Medicare beneficiaries (SLMB)
- ◆ Expanded specified low-income Medicare beneficiaries (E-SLMB)
- ◆ Qualified disabled and working people (QDWP)

**Implementation for QDWP:** The new income limits are effective both for ongoing QDWP cases and for applications processed for March 2009.

**Implementation for QMB, SLMB, and E-SLMB:** Central office is issuing a printout to IM workers to help identify the ongoing cases that need to have the social security cost-of-living increases included to determine eligibility for QMB, SLMB, and E-SLMB.

- ◆ The new income limits are effective for applications processed for March 2009 and later months. In determining the percentage of poverty for March 2009 and later months, include the social security cost-of-living increases that were previously disregarded for January and February.
- ◆ For ongoing cases where the poverty indicator is required, adjust the percentage of poverty on the Automated Benefit Calculation (ABC) system. Also enter the applicable QMB indicator on the TD03 screen in ABC if required. To determine the percentage of poverty, include the social security cost-of-living increases for applications and ongoing cases for March 2009 or later months.
- ◆ Members who are now eligible for QMB may not be eligible for QMB in March but would be eligible for SLMB. Members who are now eligible for SLMB may not be eligible for SLMB in March but would be eligible for E-SLMB. Members who are now eligible for E-SLMB may not be eligible for E-SLMB. Notify members if the coverage group changes or if they are no longer eligible.

- ◆ If the poverty level is zero on the printout, do a desk review and enter the member's percentage of poverty using the member's social security cost-of-living increase. **Enter the percentage of poverty on the TD03 screen's POV field in ABC.**

Cases in certain aid types were previously allowed to have a zero entry in the poverty level. These cases now need the percentage of poverty entered on the TD03 screen's POV field in ABC to ensure that person is assessed the correct copayment for Medicare Part D.

**Reminder:** If the member's percentage of poverty is actually zero, enter "001" for the percentage of poverty on the TD03 POV field. An entry of "000" will not allow buy-in to occur and may also cause an incorrect copayment to be assigned for Medicare Part D.

If the member is over the resource limit for QMB, SLMB, E-SLMB, or QDWP but has income at or below 150% of poverty, enter "998" for the percentage of poverty on the TD03 screen in ABC. If the member is over the resource limit for QMB, SLMB, E-SLMB, or QDWP and income is over 150%, enter "999." The "999" is needed to prevent Medicare Part A and Medicare Part B buy-in.

### **Effective Date**

March 1, 2009

### **Material Superseded**

Remove the following pages from Employees' Manual, Title 8, Chapter F, and destroy them:

<u>Page</u>	<u>Date</u>
97	February 8, 2008
101, 106, 109	April 18, 2008

### **Additional Information**

Refer questions about this general letter to your area income maintenance administrator.

Size of Family	200% of Poverty Level
Individual	\$1,805
Couple	\$2,429

Compare the net countable income to the individual limit when income is not deemed from the ineligible spouse to the eligible spouse.

To determine net countable monthly income, follow SSI policies. See 8-E, [INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS](#). Allow the earned and unearned deductions. Consider the income prospectively.

- ◆ The person is **not** eligible for any other Medicaid benefits. If a person is eligible under another coverage group, the person is not eligible for QDWP.
- ◆ The person meets all other general eligibility requirements as other SSI-related Medicaid recipients (except for substantial gainful activity).

1. Mr. Z, aged 45, is currently receiving Medicare Part A benefits. His income does not exceed 200% of poverty, and his resources do not exceed twice the SSI resource limit. If all other program requirements are met, Mr. Z's application may be approved for the QDWP group.

2. Ms. Y, aged 42, had been receiving social security disability benefits since age 30. She was found not to be disabled four years ago when her income from earnings exceeded the substantial gainful activity level, even though her medical condition remained unchanged. Her disability benefits stopped three years ago, but her Medicare coverage continued without any charge for Part A.

Her extended Medicare Part A without a premium is now ending. Ms. Y chooses to purchase Medicare Part A after her extended benefits end. She applies for Medicaid under QDWP. She has her three minor children living with her.

The worker determines that Ms. Y would be eligible for Medicaid under FMAP-related Medically Needy with no spenddown. She is not eligible for the QDWP coverage group. The application is processed for Medically Needy. Medicaid does not provide for payment of the Medicare Part A premium.

Social Security verifies that the person is entitled to Medicare Part A through the continuing disability review procedures. When a person is no longer entitled to Medicare Part A, Social Security will notify the Centers for Medicare and Medicaid Services (CMS). CMS then notifies the state of the person's termination.

1. Ms. K, age 68, is receiving social security benefits and Medicare benefits (Part A and Part B). Her income and resources are within limits for the QMB group. All other program requirements are met. Ms. K's application may be processed for QMB coverage.
2. Mr. L, age 70, is receiving SSI. Even though he does not qualify for social security benefits, having no work history, he is eligible for Medicare Part A. He has not enrolled for Part A before because the cost was too high. Mr. L has heard that Medicaid may now pay the Medicare Part A premium.  
  
Since Mr. L is entitled to Medicare Part B and would be eligible for QMB, the state buy-in establishes Medicare Part A entitlement for Mr. L.
3. Mr. B applies for Medicaid on January 30. He is receiving \$700 per month in social security disability benefits. He is not eligible for Medicare Part A until he has been disabled for 24 months, which happens June 1.  
  
Since Mr. B is not entitled to Part A Medicare, he is not eligible under the QMB group. Since he is disabled, the worker examines eligibility under Medically Needy or other SSI-related coverage groups.
4. Ms. W, age 78, applies for Medicaid on February 1. She is living in her own home. She receives social security benefits but never applied for Medicare. Since Ms. W has a work history, she is eligible to enroll in Part A at any time.  
  
The IM worker refers Ms. W to the Social Security Administration to apply for Medicare (Parts A and B). If she enrolls for Medicare, the worker continues determining eligibility for Medicaid.

Determine the person's net countable income following SSI policies. Allow the earned and unearned income exclusions. Consider income prospectively. Compare the person's net countable income to 100% of the federal poverty level. Current monthly limits are:

Size of Family	100% of Poverty Level
Individual	\$903
Couple	\$1,215

Exclude the social security COLA increase received in the current calendar year for January through the month following the month in which the federal poverty level is published. Central office will notify you when to recalculate the poverty level using the social security COLA increases received in January.

Because QMB provides only limited Medicaid coverage, the relationship between QMB and other coverage groups is complex, especially in two areas:

- ◆ When a client is concurrently eligible for QMB and Medically Needy, the client is entitled only to QMB benefits until spenddown is met. Once spenddown is met, the client is entitled to all Medicaid benefits that are payable under Medically Needy.
- ◆ When a QMB client is also eligible for full Medicaid benefits and is living in a skilled nursing facility or MHI, client participation is not charged until Medicare coverage is exhausted. See 8-I, [Client Participation](#).

**Specified Low-Income Medicare Beneficiaries (SLMBs)**

**Legal reference:** 441 IAC 75.1(34)

Limited Medicaid benefits are available to a person who meets all of these conditions:

- ◆ Is entitled to Medicare Part A, which provides benefits for hospital care.
- ◆ Has net countable monthly income that exceeds 100% of the federal poverty level for the family size but is less than 120% of this level.

<b>For family size:</b>	<b>Income is over:</b>	<b>But is less than:</b>
Individual	\$903	\$1,083
Couple	\$1,215	\$1,457

To determine net countable monthly income, follow SSI policies. See 8-E, [INCOME POLICIES FOR SSI-RELATED COVERAGE GROUPS](#). Allow the earned and unearned deductions. Consider the income prospectively.

- ◆ Has resources that do not exceed twice the maximum allowed by the SSI program. Resources are treated according to SSI policies. The resource limits for the SLMB group are \$4,000 for an individual and \$6,000 for a couple. See 8-D, [GENERAL SSI-RELATED RESOURCE POLICIES](#).
- ◆ Meets all other nonfinancial SSI-related Medicaid eligibility requirements except for disability determination and age.

Medicaid will pay the cost of the Medicare Part B premiums for these “specified low-income Medicare beneficiaries” (SLMBs). This is the **only** service Medicaid will cover. Medicare copayments, deductibles, and Part A are not covered in this coverage group.

### **Relationship Between SLMB and Other Coverage Groups**

**Legal reference:** 441 IAC 75.1(34)

Medicaid members who meet the SLMB requirements are also eligible for SLMB. These people have concurrent eligibility. A person applying for SLMB may also be eligible for Medicaid under another coverage group.

When concurrently eligible, members can receive all Medicaid benefits provided under the other coverage group, in addition to the payment for Medicare Part B premium.

Clients who are concurrently eligible for SLMB and Medically Needy with a spenddown are entitled only to Medicaid payment of Part B premiums until spenddown is met. Once spenddown is met, they are entitled to all Medicaid services that are payable under the Medically Needy coverage group.

### **Expanded Specified Low-Income Medicare Beneficiaries (QI-1)**

Medicaid will pay the cost of the Medicare Part B premiums for “expanded specified low-income Medicare beneficiaries” (expanded SLMBs). This is the **only** service Medicaid covers. Medicare copayments, deductibles, and Part A premiums are not covered in this coverage group. (People eligible only for the E-SLMB coverage group do not receive a *Medical Assistance Eligibility Card*.)

**Note:** Medicare refers to the E-SLMB group as “qualifying individuals 1” (QI-1) or a “Medicare Savings Program.” People applying for E-SLMB may refer to the coverage group as QI-1 or as the Medicare Savings Program.

These limited Medicaid benefits are available to a person who meets all of the following conditions:

- ◆ Is entitled to Medicare Part A, which provides benefits for hospital care.
- ◆ Has net countable monthly income of at least 120% of the federal poverty level for the family size but less than 135% of this level.

<b>For family size:</b>	<b>Income is at least:</b>	<b>But is less than:</b>
Individual	\$1,083	\$1,219
Couple	\$1,457	\$1,640